GOP Tie Denied by ITT Head

Geneen Insists He Didn't Know About Memo

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Harold S. Geneen, president of the multibillion-dollar International Telephone and Telegraph Corp., testified yesterday that there was "absolutely no connection" between the settlement of three government antitrust cases against ITT and its contribution to help bring the Republican National Convention to San Diego this year.

In a late afternoon appearance before the Senate Judiciary Committee, the executive said "I know nothing" about a published memorandum by ITT chief lobbyist Dita D. Beard which linked the two matters.

Geneen conceded, however, that after Mrs. Beard's memorandum was published by syndicated columnist Jack Anderson, "some kind of documents were shredded" at the Washington office of ITT by corporate officials from New York.

He said he had ordered an internal investigation of the shredding incident and would report back to the committee about it, perhaps today.

"This was probably more a reaction to the feeling that our files were open to the public than any attempt to prevent a review" of them, Geneen said.

In a 20-page prepared statement that he read, Geneen also insisted that ITT's commitment to support the GOP convention was $200,000—rather than the $400,000 that has been reported and was confirmed by the Republican National Chairman, Sen. Bob Dole (R-Kan.) last week.

ITT's Sheraton subsidiary made the financial commitment, Geneen said, to promote a new luxury hotel being built in San Diego, on the condition that it be President Nixon's headquarters during the convention.

Geneen made public what he described as the text of a telegram making the $200,000 commitment.

In other developments on the ninth day of the Judiciary Committee investigation:

• Chairman James O. Eastland (D-Miss.) appointed a six-man subcommittee to fly to

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Denver and interview the ailing Mrs. Beard in a hospital room there next Monday.

The subcommittee is to be chaired by Sen. Philip A. Hart (D-Mich.) and will include Sens. Edward M. Kennedy (D-Mass.), John V. Tunney (D-Calif.), Marlow W. Cook (R-Ky.), Charles McC. Mathias (R-Md.) and Edward J. Gurney (R-Fla.).

• As questioning of former Attorney General John N. Mitchell concluded, Tunney charged that either Mitchell or California Lt. Gov. Ed Reinecke "is not telling the truth" about their meetings in Washington last year.

Reinecke told several reporters that he discussed financial arrangements for the GOP convention with Mitchell in Washington last May. But later he "clarified" his version of events after checking his files.

Mitchell has testified that he never met with Reinecke last May and that when the two did meet — last April and September — he does not remember the convention being discussed.

• Mitchell, who is President Nixon's re-election campaign manager, told reporters that he does not feel the ITT hearings are having a substantial political impact.

In a sharp exchange with Tunney, the former Attorney General said "there are no grounds for suspicion" of himself or of Richard G. Kleindienst, the man to replace him in the cabinet, in the ITT case.

"It's a house of cards that has been built up," Mitchell said.

• Cook, joined by several other Republicans on the committee, charged the press with "total and complete irresponsibility" in reporting the ITT investigation. He made specific complaints against The New York Times, The Washington Evening Star and The Washington Post.

• Kennedy charged that Mitchell intervened in late 1970 to prevent the Civil Rights Division of the Justice Department from filing a housing discrimination complaint against Coldwell-Banker and Company, a California real estate firm.

But Mitchell denied that charge and said, "I do not know those people and would have no reason" to intervene in a case involving the real estate firm.

• Senate Minority Leader Hugh Scott of Pennsylvania launched what he said would be a daily discussion of situations involving "Democratic fat cats" and alleged improprieties.

For a start, Scott charged that during the Johnson administration, an antitrust suit against the Anheuser-Busch brewing company was settled by the Justice Department after a large contribution to a campaign fund for President Lyndon B. Johnson.

It was learned that William Merriam, head of ITT's Washington office and the person to whom Mrs. Beard's controversial memo was addressed, will tell the committee that he never received it and is puzzled by its contents.

Geneen was cheerful and jovial during his testimony in the afternoon. He said that he approved the antitrust settlement with the Justice Department even though he "thought it was unfair," because he wanted to minimize the risks of losing more when the cases went to the Supreme Court.

He said he had no apologies for a battery of meetings with

high officials in Washington about "general antitrust policy," because he feared that a new policy toward conglomerates would be adopted without giving Congress an opportunity to be heard on the subject.

In a long discourse on business and economics, Geneen portrayed the company he has headed for the past 12 years as one which battled on the side of "the national interest in these trying times."

Because of its foreign investments, he said, ITT has been "uniquely positioned" to help cut the balance of payments deficit and help stem the decline in the value of the dollar.

During the next 10 years, he testified, ITT will "bring back something on the order of $5 billion from abroad, without imports, to the credit side of the U.S. balance of payments."

Describing financial problems of ITT during expropriation of its subsidiaries by foreign governments, Geneen said, "We lost Cuba . . . We lost Peru . . . and last year we lost Chile."

Geneen said his discussions of antitrust policy with high government officials concerned his feeling that the Nixon administration was moving against conglomerates on a theory of "bigness per se" which was epitomized by former Assistant Attorney General Richard W. McLaren, now a federal judge.

Lawrence E. Walsh, a prominent Republican New York lawyer and former federal judge, was called into the case "to see if he could persuade (the Justice Department) to consider . . . . a review of these policy considerations" that would include the heads of other departments and agencies, Geneen said.

Supporting a position taken by Kleindienst before the committee, Geneen said he had the impression that McLaren was in "complete control and charge" of antitrust policy and the ITT settlement.

The current hearings were in part inspired by the suggestion by Jack Anderson that Kleindienst had exercised improper influence during five meetings last year with ITT director Felix G. Rohatyn.

Geneen confirmed that ITT's offer to the San Diego Convention and Tourist Bureau to support the GOP convention was made last July 21, exactly 10 days before the settlement of the antitrust cases, but that there was "no connection" between the two.

Cook's complaints against the press yesterday included these points:

• That The New York Times erroneously captioned a photograph of Assistant Attorney General Robert C. Mardian yesterday as that of ITT official Merriam. The photograph showed Mardian and Mitchell conferring.

• That The Evening Star yesterday erroneously reported the date of Mitchell's meeting here with Geneen as August 1971 instead of August 1970.

• That a report in The Washington Post yesterday about Mitchell's testimony on Tuesday "read like a Jack Anderson column" because it gave undue emphasis to the presence of White House aide Peter M. Flanigan at meetings with Rohatyn and Mitchell last year to discuss matters unrelated to ITT.